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E.O. ,1652: GDS

TAGS: PFOR, JA, US

SUBJECT: US- PAN PLANNING TALKS

1. HERE IS THE US PAPER FOR DISCUSSION OF AGENDA TOPIC 3
"POLITICAL AND ECONOMIC TRENDS AND POLICY ISSUES FOR THE
UNITED STATES AND JAPAN IN THE MIDDLE EAST AND AFRICA" TO
BE DISCUSSED THE AFTERNOON OF OCTOBER 5. IN PASSING IT
TO THE JAPANESE, PLEASE NOTE ON THE TITLE PAGE THE
FOLLOWING CAVEAT: "THIS PAPER REFLECTS THE PERSONAL
VIEWS OF A MEMBER OF THE POLICY PLANNING STAFF. IT HAS
NOT BEEN OFFICIALLY CLEARED WITHIN THE DEPARTMENT OF
STATE."

2. BEGIN TEXT: POLITICAL AND ECONOMIC TRENDS AND POLICY
ISSUES FOR THE UNITED STATES AND JAPAN IN THE MIDDLE EAST
AND AFRICA (UNDERLINE)

3. INTRODUCTION (ROMAN NUMERAL I. - UNDERLINE)

4. THE MIDDLE EAST AND AFRICA PRESENT US A RICH VARIETY
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OF PROBLEMS. THE NATURE OF THE REGIMES, THEIR PROSPECTS

FOR ECONOMIC DEVELOPMENT, THE DYNAMICS OF CONTEMPORARY CONFLICTS IN THOSE AREAS ARE IN MANY RESPECTS UNIQUE. NONETHELESS, THE ARABS AND BLACK AFRICAN NATIONS HAVE IMPORTANT CONVERGING INTERESTS, AND THEY HAVE DEMONSTRATED A CAPACITY TO WORK TOGETHER IN PURSUIT OF SOME IMPORTANT AIMS. THE MOST VISIBLE PRACTICAL EXPRESSION OF THEIR CONVERGING INTERESTS IS VOTE-TRADING IN THE UNGA ON MIDDLE EAST AND SOUTHERN AFRICA ISSUES. BUT THERE IS MORE TO THEIR RELATIONSHIP THAN THIS. THE AFRICANS NEED ARAB MONEY; THEY ARE EXPERIENCING MANY COMMON DILEMMAS OF DEVELOPMENT; THEY SHARE A STAKE IN PERSUADING OUTSIDE POWERS TO WITHHOLD OR LIMIT SUPPORT FROM THEIR CHIEF ADVERSARY--WHETHER ISRAEL OR SOUTH AFRICA.

5. THIS PAPER EXAMINES (1) POLITICAL AND ECONOMIC TRENDS AT WORK IN THE MIDDLE EAST AND SOUTHERN AFRICA WHICH MAY BEAR UPON FUTURE US POLICIES IN THOSE AREAS, AND (2) TRENDS IN THE NONALIGNED MOVEMENT, IN WHICH AFRO-ARAB COOPERATION IS A CENTRAL ELEMENT.

6. TRENDS AND ISSUES IN THE MIDDLE EAST (ROMAN NUMERAL II. UNDERLINE)

7. AMERICA'S PRINCIPAL INTERESTS IN THE AREA STRETCHING FROM THE ATLANTIC TO AFGHANISTAN HAVE BEEN CONSTANT OVER SEVERAL DECADES.

-- TO FOSTER THE GROWTH OF FORMERLY COLONIAL AND LESS-DEVELOPED COUNTRIES TOWARD SOCIAL AND ECONOMIC DEVELOPMENT, INTERNAL POLITICAL STABILITY, AND A COOPERATIVE ROLE IN THE INTERNATIONAL COMMUNITY.

-- TO PLAY A ROLE THAT ENHANCES OUR GLOBAL POSITION; SUPPORTS OUR INTERESTS OR THOSE OF OUR ALLIES, AND MAXIMIZES OUR ABILITY TO PREVENT CONFRONTATIONS OR WARS.

-- TO DENY THE SOVIETS THE ABILITY TO EXERCISE CONTROL OVER THE FLOW OF MIDDLE EAST ENERGY RESOURCES, THREATEN US AND ALLIED FREEDOM OF MOVEMENT IN THE

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MEDITERRANEAN OR OUR CAPABILITY TO HELP DEFEND SOUTHERN EUROPE, AND ACHIEVE THE TAKEOVER OF IMPORTANT MIDDLE EASTERN GOVERNMENTS BY RADICAL GROUPS.

-- TO MAINTAIN A RELATIONSHIP WITH THE OIL PRODUCING NATIONS THAT ENCOURAGES THE FLOW OF ENERGY RESOURCES AT REASONABLE PRICES AND PRODUCES MUTUALLY BENEFICIAL INVESTMENT AND TRADE.

-- TO ASSURE THE SECURITY AND SURVIVAL OF ISRAEL,
ALTHOUGH NOT NECESSARILY WITHIN PRESENT CEASEFIRE LINES,
IN THE CONTEXT OF A PEACE SETTLEMENT WITH ITS ARAB
NEIGHBORS.

8. OUR INTERESTS ARE SO BROAD AND SO IMPORTANT TO OUR
NATIONAL SECURITY THAT MOST ISSUES AND COUNTRIES IN THE
AREA HOLD CONSIDERABLE SIGNIFICANCE FOR US. IRAN,
ISRAEL, SAUDI ARABIA, EGYPT, AND SYRIA ARE OF PRIMARY
IMPORTANCE, WITH MOROCCO, ALGERIA, JORDAN, AND IRAQ NEXT.
AMONG THE MANY KNOTTY ISSUES IN THE MIDDLE EAST, THE
ARAB-ISRAELI DISPUTE IS OF OVERRIDING IMPORTANCE.
ITS SUCCESSFUL RESOLUTION IS CRITICAL TO THE PROTECTION
OF OUR INTERESTS IN THE AREA AND TO THE ESSENTIAL
INTERESTS OF OUR FRIENDS AND ALLIES.

9. THE CONDITIONS FOR A SETTLEMENT ARE TOO NUMEROUS
TO LIST EXHAUSTIVELY, BUT SEVERAL STAND OUT ABOVE THE
OTHERS.

-- EACH SIDE WILL HAVE TO PLEDGE ITSELF TO RESPECT
THE SECURITY AND SOVEREIGN RIGHTS OF THE OTHER AND GIVE
VISIBLE EVIDENCE OF ITS GOOD INTENTIONS.

-- THE ISRAELIS WILL HAVE TO BELIEVE THAT THE
SETTLEMENT TERMS, IN ALL THEIR VARIETY, WILL ASSURE
THEIR SECURITY NEARLY AS WELL AS DO PRESENT CONDITIONS,
PARTICULARLY THEIR RETENTION OF THE OCCUPIED TERRITORIES.
THE ISRAELIS WILL HAVE TO BELIEVE THAT THEIR ULTIMATE
SECURITY LIES, IN PART, IN COMPROMISE WITH THE ARABS.

-- THE CONFRONTATION ARAB STATES WILL HAVE TO BELIEVE
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THAT THEIR OWN INTERESTS AND SECURITY AND THOSE OF THE
PALESTINIANS ARE SATISFIED BY THE AGREEMENT AND THAT
THEIR INTERESTS ARE NOT (UNDERLINE) SERVED BY CONTINUED
CONFRONTATION WITH OR OSTRACIZATION OF ISRAEL. THE
NON-CONFRONTATION ARAB STATES WILL AT LEAST HAVE TO
ACQUIESCE IN THE SETTLEMENT.

THE AMERICAN PEOPLE WILL HAVE TO BE SATISFIED
THAT THE SETTLEMENT TERMS ARE JUST AND WILL LEAD TO
PEACE AND STABILITY IN THE AREA.

-- THE SOVIET UNION WILL HAVE, AT A MINIMUM, TO
ACQUIESCE IN THE SETTLEMENT AND PREFERABLY SUPPORT IT.

-- THE MAJOR NATIONS OF THE WORLD WILL ALSO HAVE

TO ENDORSE AND SUPPORT THE SETTLEMENT THROUGH INTERNATIONAL AGREEMENTS OF VARIOUS KINDS.

10. THE TRENDS TOWARD REALIZATION OF THESE CONDITIONS CLEARLY ARE MIXED. THEY DO NOT MAKE US CONFIDENT OF SETTLEMENT NOR DO THEY CREATE DESPAIR.

11. THE PRESENT ISRAELI GOVERNMENT APPARENTLY PREFERS THE STATUS QUO TO THE RISKS IT SEES INHERENT IN ATTEMPTS AT SETTLEMENT. THE ISRAELIS' UNDERSTANDABLE OBSESSION WITH CERTAINTY, MAKES THEM RELUCTANT TO SEEK SETTLEMENT EXCEPT ON THEIR OWN TERMS. THEY RESIST OUTSIDE ATTEMPTS TO CHANGE THEIR POSITION, AND THEY MAY ATTEMPT TO USE THEIR 1977 ELECTIONS AS A JUSTIFICATION FOR POSTPONING MOVEMENT.

12. ISRAELIS ARE NOT UNANIMOUS, HOWEVER, IN THEIR ASSESSMENT OF THE SITUATION. SOME PERCEIVE DANGERS IN RETAINING THE OCCUPIED TERRITORIES AND SEE THE ANALOGY BETWEEN THE PALESTINIANS' CLAIM TO STATEHOOD AND THEIR OWN. YET MANY OTHERS REJECT THE IDEA OF A WEST BANK PALESTINIAN STATE. ISRAELIS ARE AWARE THAT THE NEXT WAR IS LIKELY TO COST THEM MORE THAN THE LAST AND RECOGNIZE THE ARABS' INCREASING POWER. A FEW BELIEVE THAT THERE IS GREATER ARAB WILLINGNESS TO MAKE PEACE WITH THEM AND THAT THEIR OWN ATTITUDES CAN FOSTER OR DAMPEN THIS

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CHANGE. YET MOST ISRAELIS PROBABLY WOULD CONSIDER ESSENTIAL CHANGES IN ARAB "CHARACTER" A PREREQUISITE TO SETTLEMENT AND BELIEVE OVERWHELMING MILITARY POWER THE BEST GUARANTEE OF THEIR SECURITY. THE SUCCESS OF SINAI II AND ISRAELI RESTRAINT TOWARD THE SYRIAN ROLE IN LEBANON ARE HOPEFUL SIGNS FOR THE FUTURE, BUT THE ISRAELIS WILL MAINTAIN A CONSERVATIVE APPROACH TO SETTLEMENT.

13. ARAB FEARS AND SUSPICIONS OF ISRAEL MIRROR THE ISRAELIS' FEARS OF THE ARABS. ALTHOUGH OVERALL THESE PROBABLY HAVE DIMINISHED LITTLE, THERE APPEARS TO HAVE BEEN A SIGNIFICANT INCREASE SINCE OCTOBER 1973 IN ARAB WILLINGNESS TO LIVE AT PEACE WITH ISRAEL. THE GOVERNMENTS

OF THE CONFRONTATION STATES HAVE EACH EXPRESSED THIS EXPLICITLY, ALTHOUGH THEIR SINCERITY REMAINS ULTIMATELY TO BE TESTED. THE RELATIVELY BETTER PERFORMANCE OF THE ARABS IN THE 1973 WAR, THEIR INCREASING FINANCIAL AND POLITICAL POWER, AND THEIR LARGER WEAPONS INVENTORIES--

WHICH STILL HAVE NOT MADE THEM A MATCH FOR ISRAEL--SEEM, PARADOXICALLY, TO HAVE GIVEN THE CONFRONTATION ARAB STATES ENOUGH CONFIDENCE TO TEST THE IDEA OF SETTLEMENT WITH ISRAEL.

14. PRESENT INTRA-ARAB TENSION, RESULTING IN PART FROM THE ABSENCE OF A SEQUEL TO SINAI II, CAN BE INTERPRETED AS SIGNALING THE END OF THIS UNIQUE ARABS-UNITED-FOR-SETTLEMENT PERIOD OR AS AN INDICATOR THAT SYRIA AND THE PALESTINIANS DESIRED AN OPPORTUNITY TO TAKE THEIR OWN STEPS TOWARD SETTLEMENT WITH ISRAEL AND WERE ANNOYED WHEN THIS DID NOT OCCUR. ONE CAN ARGUE, THEREFORE, THAT ANY NEW SETTLEMENT INITIATIVE WOULD BE TORN TO SHREDS BY THE NATIONALIST RIVALRIES AMONG ARAB CAPITALS OR THAT ARAB DIFFERENCES WOULD SUBSIDE IF THE OPPORTUNITY TO ACHIEVE A REASONABLE SETTLEMENT REAPPEARED. TWO THINGS ARE CLEAR: (1) PERSISTENT ARAB RIVALRIES ARE A BARRIER TO SETTLEMENT, AND (2) ARAB SOLIDARITY REFASHIONED OUT OF ENMITY TOWARD ISRAEL AND FRUSTRATION WITH UNSUCCESSFUL
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SETTLEMENT ATTEMPTS COULD REVERSE THE CURRENT TREND AND TIP THE MIDDLE EAST TOWARD RENEWED WAR.

15. THE PALESTINIANS TO SOME EXTENT HAVE BEEN THE CATALYST IN THE LATEST OUTBREAK OF ARAB FRACTIONALISM AND TO SOME EXTENT HAVE BEEN ITS VICTIMS. THE FULL EFFECT OF EVENTS IN LEBANON ON THE PALESTINIAN MOVEMENT REMAINS TO BE SEEN. BUT ONE SHOULD AVOID CONFUSING THE MILITARY PUNISHMENT THE PALESTINIANS HAVE TAKEN IN LEBANON--RESULTING IN THE WEAKENING OF AND TENSION WITHIN THE PLO--AND THE DEMANDS THAT THE PALESTINIANS WOULD PUT FORWARD IN RENEWED SETTLEMENT NEGOTIATIONS AND THAT THE ARAB GOVERNMENTS WOULD SUPPORT. SUPPORT FOR A PALESTINIAN STATE APPEARS STILL TO BE THE MINIMUM CONDITION OF THE PALESTINIAN MOVEMENT AND OF OTHER ARABS. SUPPORT FOR "PALESTINIANISM" WILL PROBABLY CONTINUE TO BE THE CHIEF INGREDIENT OF "ARABISM" FOR CONSIDERABLE TIME TO COME. THIS WILL BE TRUE DESPITE THE ARAB STATES' OCCASIONAL USE OF THE PALESTINIANS FOR THEIR OWN ENDS. IT IS DOUBTFUL THAT PRESIDENT ASAS WILL BE ABLE TO CREATE A TAME PALESTINIAN MOVEMENT, IF THAT IS HIS INTENTION, ALTHOUGH HE MAY BE ABLE TO BRING PALESTINIAN ACTIVITIES WITHIN LEBANON UNDER A SEMBLANCE OF CONTROL. POLITICAL

CONTROL OF THE PALESTINIAN MOVEMENT LIKELY WILL REMAIN WITH PALESTINIANS AND OUTSIDE OF GEOGRAPHICAL PALESTINE, DESPITE THE WEAKENING OF THE PLO IN LEBANON. IT SEEMS SAFE TO PREDICT THAT THE PALESTINIANS WILL BE A MAJOR FACTOR IN ANY RESUMED SETTLEMENT NEGOTIATIONS.

16. THE SOVIET UNION'S ROLE IN THE MIDDLE EAST HAS BEEN GREATLY REDUCED BY THE SUCCESSES OF AMERICAN DIPLOMACY AND BY DEVELOPMENTS IN THE AREA. SOVIET EMBARRASSMENT AT BEING CAUGHT BETWEEN SYRIA AND THE PALESTINIANS IN LEBANON HAS BEEN EXCEEDED ONLY BY THEIR FORCED DEPARTURE FROM EGYPT IN 1972. MOREOVER, THE CYCLICAL ARAB INFATUATION WITH THE SOVIETS SEEMS AGAIN TO BE WANING. SYRIA HAS SUCCESSFULLY RESISTED SOVIET INFLUENCE A NUMBER OF TIMES IN RECENT MONTHS. IRAQ HAS EDGED AWAY FROM THE SOVIETS. ALGERIA REMAINS ADAMANTLY INDEPENDENT. US RELATIONS WITH THESE COUNTRIES, PARTICULARLY ON THE CONFIDENTIAL

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COMMERCIAL SIDE, CONTINUE TO IMPROVE. YET THIS SHOULD BE UNDERSTOOD AS A REDRESSING OF THE BALANCE. IT HAS NOT ENDED A CONSIDERABLE SOVIET PRESENCE AND ROLE IN THE MIDDLE EAST NOR IS IT LIKELY TO. SO LONG AS THE ARABS FEEL A NEED FOR WEAPONRY THAT EUROPE AND THE UNITED STATES CANNOT PROVIDE, AND SO LONG AS THE ARABS SEE IT IN THEIR INTERESTS TO PLAY THE SUPERPOWERS AGAINST EACH OTHER, THE USSR WILL BE A MAJOR PLAYER IN THE MIDDLE EAST.

17. THE SOVIET DECLINE PROVIDES THE UNITED STATES GREATER ROOM FOR DIPLOMATIC MANEUVER AND AT THE SAME TIME IRONICALLY POSES THE PROBLEM OF BRINGING THE SOVIETS SUCCESSFULLY INTO RESUMED SETTLEMENT NEGOTIATIONS. THE SOVIETS WOULD BE IN A POOR POSITION TO WRECK A SETTLEMENT WHOSE TERMS SATISFIED THE ARABS, YET THEY COULD ATTEMPT A SPOILER ROLE; OF COURSE THEIR SUPPORT OF A SETTLEMENT WOULD STRENGTHEN IT. BECAUSE THE SOVIETS CANNOT BE DENIED A ROLE IN THE MIDDLE EAST, OUR AIM IS TO SEE THAT THEIR INVOLVEMENT IS AS CONSTRUCTIVE AS POSSIBLE.

18. FOR US DIPLOMACY IN THE MIDDLE EAST TO BE VIABLE, THE AMERICAN PUBLIC WILL HAVE TO SUPPORT IT. BROAD PUBLIC SUPPORT FOR THE EXISTENCE AND SECURITY OF ISRAEL REMAINS UNSWERVING. ALONG WITH THIS, THERE HAS BEEN A CONSTRUCTIVE EVOLUTION IN PUBLIC UNDERSTANDING OF THE COMPLEXITIES OF THE MIDDLE EAST CONFLICT, OF ITS SHADES OF GRAY AS WELL AS ITS BLACKS AND WHITES, OF THE IMPORTANCE OF CONTINUED PROGRESS TOWARD PEACE. THIS HAS STRENGTHENED THE ABILITY OF THE GOVERNMENT TO SPEAK WITH AUTHORITY IN ITS PEACEMAKING EFFORTS.

19. FINALLY, MANY OF THE MAJOR NATIONS OF THE WORLD WILL HAVE TO SUPPORT A SETTLEMENT ACTIVELY IF IT IS TO LAST. THE FEARS AND SUSPICIONS OF BOTH ISRAELIS AND ARABS WILL NOT DISAPPEAR OVERNIGHT. EACH SIDE WILL LOOK TO THE

INTERNATIONAL COMMUNITY TO ASSURE ITS OWN SECURITY
AGAINST POSSIBLE TRANSGRESSIONS OF THE AGREEMENT BY THE
OTHER AND TO FOSTER THE SOUND ECONOMIC CONDITIONS IMPOR-
TANT TO SUSTAINING PEACE. IF WE ARE NOT TO FACE ANOTHER
WAR IN THE MIDDLE EAST, WE SHARE RESPONSIBILITY FOR
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FOSTERING AND MAINTAINING AN ARAB-ISRAEL SETTLEMENT.

20. MOVEMENT TOWARD SETTLEMENT PRESENTLY IS SUSPENDED
BETWEEN PAST ACHIEVEMENTS AND HOPES FOR THE FUTURE.
THERE CAN BE LITTLE DOUBT THAT THE UNITED STATES, WITH
THE SUPPORT OF ITS FRIENDS AND ALLIES, WILL HAVE TO
CONTINUE THE ROLE OF MEDIATOR IF PROGRESS IS TO BE MADE.
THIS IS PRESIDENT FORD'S POSITION, AND IT APPEARS TO BE
GOVERNOR CARTER'S AS WELL.

21. WE CANNOT TELL NOW WHAT FORM FUTURE SETTLEMENT EFFORTS
MIGHT TAKE. THERE MAY BE ROOM FOR FURTHER STEPS IN A
STEP BY STEP FORMAT. THE GOVERNMENT OF ISRAEL PROVIDED
A POSSIBLE DEVICE LAST FEBRUARY WITH ITS END OF THE
STATE OF WAR INITIATIVE. ON THE OTHER HAND, WE MAY HAVE
DONE ALL WE CAN AT THE FRINGES OF THE ISSUE, AND NOW MAY
HAVE TO GRAPPLE WITH THE CORE OF THE PROBLEM. THUS THE
NEXT MOVE MAY BE TOWARD A COMPREHENSIVE SETTLEMENT,
PERHAPS IN THE FORM OF AN AGREEMENT ON THE BROAD TERMS
AND PRINCIPLES OF A SETTLEMENT THAT WOULD BE IMPLEMENTED
IN STAGES. EACH SIDE AT SOME TIME HAS SUGGESTED A TRY
AT THE COMPREHENSIVE APPROACH. EACH SIDE SEES SOME MERIT
IN KNOWING WHERE THEIR STEPS ARE LEADING BEFORE TAKING
MORE INDIVIDUAL STEPS. AND THE CONTEXT OF A LIMITED GOAL
MAY PROVIDE NEITHER SIDE WITH SUFFICIENT TRADE-OFFS TO
CONDUCT A SUCCESSFUL NEGOTIATION. YET THE COMPLEXITIES
OF A COMPREHENSIVE SETTLEMENT ARE AWE-INSPIRING AND
COUNSEL IMMENSE CAUTION IN THE US GOVERNMENT, WHICH WOULD
HAVE TO MEDIATE THEM. AMERICAN POLICY TOWARD THE TERMS
OF A SETTLEMENT REMAINS ESSENTIALLY UNCHANGED: WE SEE
THE BASIC EQUATION AS TERRITORY IN EXCHANGE FOR PEACE.
AN ACCEPTABLE ARRANGEMENT FOR THE PALESTINIANS MUST BE
EMBODIED IN THE SETTLEMENT. AND THE FINAL AGREEMENT
MUST ATTEMPT TO ASSURE THE SECURITY OF ISRAEL AND THE
ARAB STATES.

22. OTHER POLITICAL MATTERS IN THE MIDDLE EACH WHICH
CONCERN US INCLUDE:

THE EVENTS OF RECENT MONTHS IN LEBANON DISTRESS
S ON HUMANITARIAN AND POLITICAL GROUNDS. WE HAVE SOUGHT
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AN END TO THE FIGHTING AND MADE CLEAR OUR SUPPORT FOR LEBANON'S POLITICAL AND TERRITORIAL INTEGRITY. WE HAVE ALSO SUPPORTED A REVISION OF ARRANGEMENTS AMONG THE RELIGIOUS GROUPS THAT WOULD BETTER BALANCE THEIR PARTICIPATION IN THE ECONOMIC AND POLITICAL LIFE OF THE COUNTRY. UNTIL THIS IS DONE, THERE CAN BE NO REAL PEACE IN THE COUNTRY. ALSO THE ROLE OF THE MORE THAN 400,000 PALESTINIANS IN LEBANON AND OF THE ACTIVITIES OF THE LEADERSHIP OF THE PALESTINIAN MOVEMENT THERE WILL HAVE TO BE RESOLVED BEFORE LEBANON CAN RETURN TO A SEMBLANCE OF ORDER.

-- WE CONTINUE TO PLACE HIGH PRIORITY ON THE MAINTENANCE OF GOOD RELATIONS WITH IRAN AND SAUDI ARABIA IN THE PERSIAN GULF CONTEXT IN ADDITION TO THE IMPORTANT ROLE EACH PLAYS IN REGARD TO ARAB-ISRAEL ISSUES. OUR ARMS SALES AND COOPERATION TO SUPPORT ECONOMIC AND SOCIAL DEVELOPMENT ARE AIMED AT PRESERVING AND ENHANCING OUR RELATIONSHIP WITH EACH WITHOUT PRODUCING HARMFUL COMPETITION BETWEEN THEM. WE INTEND TO DEMONSTRATE OUR OWN INTEREST IN THE PERSIAN GULF WHILE LOOKING TO THE COUNTRIES OF THE REGION AS THE PRINCIPAL GUARDIANS OF GULF SECURITY. OVERALL, WE HAVE BEEN IMPRESSED BY THE STABILITY OF THE SMALLER GULF STATES AND BY THE CONSTRUCTIVE ROLES PLAYED BY IRAN AND SAUDI ARABIA IN REGIONAL AFFAIRS, EXTENDING AS FAR AS THE SUBCONTINENT.

-- WE ARE GRAVELY CONCERNED BY COLONEL QADDAFI'S POLITICAL ADVENTURISM AND PARTICULARLY BY HIS SUBVERSIVE ACTIVITIES IN THE SUDAN AND EGYPT, WHERE WE STRONGLY SUPPORT THE PRESENT, LEGITIMATE GOVERNMENTS. WE CONTINUE TO SUPPORT THE PEACEFUL RESOLUTION OF DISPUTES AND TRUST THAT LIBYA AND EGYPT WILL RESOLVE THEIR DISAGREEMENTS WITHOUT RESORT TO FORCE.

-- THE SAME APPLIES TO OUR POSITION ON THE WESTERN SAHARA. WE HAVE REFRAINED FROM TAKING SIDES ON THIS ISSUE, AND WE INTEND TO MAINTAIN GOOD RELATIONS WITH BOTH COUNTRIES. WE LOOK TO ALGERIA AND MOROCCO TO RESOLVE THEIR DISAGREEMENTS EITHER BILATERALLY OR IN A MULTILATERAL FORUM LIKE THE OAU. WE DO NOT EXPECT EITHER

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SIDE SOON TO RETRACT FROM ITS PRESENT POSITION. ON THE OTHER HAND, WE SEE NEITHER GOVERNMENT GARNERING SUPPORT FOR ITS POSITION SUFFICIENT TO RESULT IN ITS

TAKING MAJOR MILITARY ACTION AGAINST THE OTHER.

;

23. ON THE ECONOMIC SIDE, WE ARE CONFRONTED BY A NUMBER OF CONFLICTING TRENDS.

-- OUR DEPENDENCE ON OAPEC OIL IS INCREASING, WHILE INTERDEPENDENCE HAS NOT YET GIVEN US MATCHING LEVERAGE OVER THE ARABS. EVEN IN A PROLONGED CRISIS, WE NEED THEIR OIL MORE THAN THEY NEED OUR TECHNOLOGY AND TECHNICAL ASSISTANCE. THE BEST WAY TO ASSURE THE FLOW OF ARAB OIL IS THE MOST DIFFICULT: RESOLUTION OF THE ENORMOUSLY COMPLEX ARAB-ISRAEL DISPUTE. ON THE PRICE SIDE, ALSO, OUR INCREASING DEPENDENCE ON OAPEC OIL IS NOT OFFSET BY NEW ENERGY SOURCES OR CONSERVATION EFFORTS.

-- ARMS TRANSFERS TO IRAN AND CERTAIN ARAB OIL PRODUCERS HAVE BEEN AN ELEMENT IN OUR EFFORTS TO BROADEN BILATERAL TIES WITH KEY REGIONAL POWERS, HAVE HELPED REDRESS OUR CASH OUTFLOW, AND HAVE SUPPORTED OUR MEDIATION IN THE ARAB-ISRAEL DISPUTE. THE CONGRESS, HOWEVER, HAS BECOME INCREASINGLY CRITICAL OF ARMS SALES, PARTICULARLY IN THE MIDDLE EAST. A LEGISLATED REDUCTION IN OUR ARMS SALES WOULD HAVE VARYING EFFECTS IN THE MIDDLE EAST BECAUSE OF THE INTERPRETATIONS THESE COUNTRIES PUT ON US ARMS SALES. A SIGNIFICANT REDUCTION WOULD DAMAGE OUR RELATIONS WITH IRAN. THE ARAB OIL PRODUCERS, PRINCIPALLY SAUDI ARABIA, MIGHT REACT BY REDUCING OIL SALES TO US, BY RAISING OIL PRICES, AND BY REDUCING US BUSINESS ACTIVITIES IN THEIR COUNTRIES. THE LATTER ACTION WOULD BE MORE LIKELY, INITIALLY; THE MORE DRASTIC ACTIONS WOULD BE SLOWER TO COME. CHANCES OF A STRONG ARAB REACTION WOULD SHARPLY INCREASE IF REDUCTIONS IN ROLES TO THEM WERE ACCOMPANIED BY A CONTINUED HIGH LEVEL OF SALES TO ISRAEL AND IF THERE WERE NO MOVEMENT TOWARD AN ARAB-ISRAEL SETTLEMENT. IN THE SHORT TERM, THEREFORE, THE UNITED STATES HAS LITTLE CHOICE EXCEPT TO SELL

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WEAPONS. WE INTEND TO EXERCISE RESTRAINT, HOWEVER, AND DECISIONS ON ARMS SALES WILL CONTINUE TO BE MADE ON A CASE-BY-CASE BASIS.

24. FOR THE UNITED STATES, AVOIDING THE DIFFICULTIES INHERENT IN THESE CONFLICTING TRENDS DEPENDS IN LARGEST PART ON BRINGING THE ARABS AND ISRAELIS TO A PEACEFUL SETTLEMENT. ADDITIONALLY, WE MUST CONSERVE ENERGY AND DIVERSIFY SOURCES. OUR PREDICAMENT IS ALSO OUR FRIENDS' AND ALLIES' TO A CONSIDERABLE EXTENT BECAUSE THE ARAB

OIL PRODUCERS MIGHT AGAIN TRY, IN A MIDDLE EAST CRISIS, TO EXERT LEVERAGE ON US THROUGH OUR FRIENDS. WE ARE VERY MUCH AWARE OF THE EXTRA BURDEN THIS PLACES UPON US

TO BRING PEACE TO THE MIDDLE EAST--A BURDEN WE HOPE OUR FRIENDS AND ALLIES WILL SHARE WHEN THE TIME COMES.

25. THERE WILL BE OTHER ECONOMIC ISSUES DOWN THE ROAD:

-- AT THE END OF THIS YEAR, WE MAY FACE AN OIL PRICE INCREASE. SEVERAL OPEC GOVERNMENTS APPEAR TO BE THINKING IN TERMS OF TEN PERCENT; OTHERS WILL SEEK A HIGHER FIGURE; THE SAUDIS ARE LIKELY TO HAVE THE DECISIVE VOICE.

-- WE MUST CONTINUE TO GRAPPLE WITH THE ECONOMIC NEEDS OF EGYPT AND SYRIA. EGYPT'S ARE URGENT AND CRITICAL; SYRIA'S ARE LESS URGENT BUT STILL IMPORTANT. THE GOAL OF A MID-EAST SETTLEMENT COULD BE GRAVELY AFFECTED IF DOMESTIC ECONOMIC CONDITIONS FORCED EITHER PRESIDENT SADAT OR ASAD FROM OFFICE.

-- DEVELOPED COUNTRY EFFORTS TO SPEED THE ECONOMIC DEVELOPMENT OF MIDDLE EASTERN COUNTRIES, AT THEIR REQUEST, BEAR THE SEEDS OF FRICTION IN THE PROVIDER-RECIPIENT RELATIONSHIP. LARGE NUMBERS OF FOREIGN TECHNICIANS COME TO BE RESENTED. THE UNFULFILLED EXPECTATIONS OF THE DEVELOPING COUNTRY ARE LIKELY TO BE BLAMED ON THE QUALITY OF THE PROVIDER'S TECHNOLOGY INSTEAD OF ON THE UNREALITY OF THE EXPECTATIONS. AND THE SOCIAL CHANGES PRODUCED BY ECONOMIC DEVELOPMENT FREQUENTLY UNSETTLE THE RECIPIENT GOVERNMENT, CAUSING IT TO RESENT THE OUTSIDE

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"INTRUSION," WHICH IT INVITED, AND TO EXERCISE ITS AUTHORITY MORE ARBITRARILY TO DAMPEN CHANCE AND PRESERVE ITS POSITION. BOTH COURSES OF ACTION SOONER OR LATER CAUSE PROBLEMS IN PROVIDER-RECIPIENT RELATIONS. WE CANNOT AVOID THESE STRAINS WITHOUT CREATING WORSE ONES BY REFUSING TO ASSIST DEVELOPMENT. WE CAN WORK TO REDUCE SUCH STRAINS, HOWEVER, BY ENCOURAGING MORE REALISTIC LDC EXPECTATIONS AND BY MATCHING OUR TECHNOLOGICAL CONTRIBUTIONS CLOSELY TO THE CULTURAL CONDITIONS IN THE PARTICULAR COUNTRY.

26. TRENDS AND ISSUES IN AFRICA (ROMAN NUMERAL III. - UNDERLINE)

27. CURRENT SOURCES OF INSTABILITY AND TENSION IN AFRICA WILL CONTINUE TO POSE DIFFICULTIES FOR US RELATIONS WITH AFRICAN COUNTRIES OVER THE NEXT FEW YEARS. BUT THERE

ARE SOME HOPEFUL SIGNS.

-- THE PROBLEMS OF SOUTHERN AFRICA. SOUTHERN
AFRICAN ISSUES WILL CONTINUE TO HAVE A VERY STRONG--

PERHAPS DECISIVE--INFLUENCE ON THE COURSE OF US RELATIONS
NOT ONLY WITH COUNTRIES OF THAT IMMEDIATE REGION BUT ALSO
OTHER AFRICAN COUNTRIES. THIS IS LIKELY TO BE THE CASE
REGARDLESS OF THE OUTCOME OF THE RHODESIAN AND NAMIBIAN
SITUATIONS.

28. IF THE AMERICAN INITIATIVE IN RHODESIA LEADS TO A
NEGOTIATED SETTLEMENT, A MAJOR CAUSE OF FRICTION BETWEEN
THE US AND SOME AFRICAN COUNTRIES WILL BE ATTENUATED,
BUT NOT NECESSARILY ELIMINATED--FOR THE AFRICANS'
JUDGMENT OF THE US COULD BE INFLUENCED BY HOW SOLIDLY
WE SUPPORT, POLITICALLY AND ECONOMICALLY, A NEW
MAJORITY-CONTROLLED GOVERNMENT OF ZIMBABWE.

29. IF A RELATIVELY PEACEFUL TRANSITION TO MAJORITY
RULE IN RHODESIA THROUGH A NEGOTIATED SETTLEMENT CANNOT
BE ACHIEVED, THE CONSEQUENT INTENSIFIED VIOLENCE WOULD
WORK AGAINST WESTERN INTERESTS. THOSE COUNTRIES WHICH
DO NOT GIVE TANGIBLE ASSISTANCE TO THE BLACK LIBERATION
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MOVEMENT WOULD BE SUBJECTED TO CHARGES OF AT LEAST
TACITLY SUPPORTING THE BELEAGUERED WHITE MINORITY IN
RHODESIA. AND IF THE WHITE REGIME IS NOT DEFEATED
FAIRLY RAPIDLY, THE AFRICANS WOULD BE INCREASINGLY
TEMPTED TO ASK FOR THE DIRECT INTERVENTION OF COMMUNIST
MILITARY FORCES. THE QUESTION OF HOW TO DEAL WITH THIS
INTERVENTION WOULD PRESENT SERIOUS PROBLEMS FOR THE
UNITED STATES. SOUTH AFRICA'S RESPONSE TO THE INTRUSION
OF COMMUNIST FORCES (OR TO THE KILLING OF A LARGE NUMBER
OF WHITES EVEN IN THE ABSENCE OF COMMUNIST INTERVENTION)
COULD BE A COMPLICATING FACTOR.

30. AN INTERNATIONALLY ACCEPTABLE SOLUTION TO THE
NAMIBIAN PROBLEM NOW APPEARS POSSIBLE. NEVERTHELESS,
OBSTACLES TO THIS COULD PROVE TO BE INSUPERABLE. IF THIS
SHOULD BE THE CASE, THERE WOULD BE INCREASED DEMANDS
FOR SANCTIONS AGAINST SOUTH AFRICA, PLACING COUNTRIES
LIKE JAPAN AND THE UNITED STATES, WHICH HAVE OPPOSED
SANCTIONS IN THE DIFFICULT POSITION OF EITHER HAVING TO
AGREE TO THEM OR FACING THE STRONG DISPLEASURE OF SOME
AFRICAN STATES. IN ADDITION, WE COULD BE CONFRONTED
WITH COMMUNIST PARTICIPATION IN A MILITARY VENTURE--
POSSIBLY EVEN BLESSED BY THE UN GENERAL ASSEMBLY--TO
DISLodge SOUTH AFRICA FROM NAMIBIA.

31. EVEN IF THE POTENTIALLY EXPLOSIVE SITUATIONS IN RHODESIA AND NAMIBIA ARE DEFUSED AND THERE IS PEACEFUL PROGRESSION TO MAJORITY RULE AND INDEPENDENCE, APARTHEID AND CONTINUED RACIAL STRIFE IN SOUTH AFRICA PROMISE TO

KEEP THE SOUTHERN PART OF THE CONTINENT EMBROILED IN THE YEARS TO COME. THERE ARE NO SIGNS THAT THE SOUTH AFRICAN GOVERNMENT IS PREPARED TO MAKE THE KIND OF MAJOR CHANGES IN ITS DOMESTIC POLICIES WHICH WOULD IMPROVE THE POLITICAL AND ECONOMIC STATUS OF SOUTH AFRICAN BLACKS SUFFICIENTLY TO REDUCE SIGNIFICANTLY THE ANTAGONISM OF MUCH OF THE WORLD, ESPECIALLY BLACK AFRICA, AGAINST WHITE SOUTH AFRICA. HOW THE

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UNITED STATES RESPONDS TO THE SOUTH AFRICAN PROBLEM DEFINITELY WILL AFFECT OUR RELATIONS WITH BLACK AFRICA. SPECIFICALLY, IN THE ABSENCE OF SIGNIFICANT STEPS BY THE SOUTH AFRICAN GOVERNMENT TO CHANGE ITS DOMESTIC RACIAL POLICIES AND PRACTICES, THE AFRICANS WILL TAKE A VERY CRITICAL LOOK AT US-SOUTH AFRICAN TRADE, US INVESTMENTS IN SOUTH AFRICA, OUR DIPLOMATIC RELATIONSHIP, THE EFFECTIVENESS OF THE ARMS EMBARGO, AND OUR WILLINGNESS OR UNWILLINGNESS TO TAKE A STRONGER STAND AGAINST APARTHEID.

-- THE HORN OF AFRICA. THE APPROACHING INDEPENDENCE OF DJIBOUTI (FRENCH TERRITORY OF AFARS AND ISSAS) PUTS FOCUS ON THE NOW ENDEMIC INSTABILITY OF THE HORN. THE HOSTILITY BETWEEN ETHIOPIA AND SOMALIA COULD FLARE UP OVER THE FTAI ISSUE, ALTHOUGH THE OAU AND OTHER STATES WILL TRY ASSIDUOUSLY TO AVERT AN ARMED CONFLICT. BUT IN ANY EVENT, SOMALIA'S TERRITORIAL AMBITIONS, THE FEARS OF KENYA, ETHIOPIA'S INTERNAL INSTABILITY AND CHANGING INTERNATIONAL OUTLOOK, AND CONTINUED HEAVY SOVIET INFLUENCE IN SOMALIA ALL CONTRIBUTE TO VOLATILITY IN THE HORN. THE US CANNOT BE INDIFFERENT TO POSSIBLE INTERNATIONAL STRIFE IN ANY AREA. THE STRATEGIC LOCATION OF THE HORN AND THE SOVIETS' EVIDENT PURPOSE IN EXPANDING ITS PRESENCE AND INFLUENCE IN THE REGION DEMAND THAT WE GIVE SERIOUS CONSIDERATION TO DEVELOPMENTS THERE.

32. THE UNITED STATES COULD BE FACED WITH DIFFICULT DECISIONS. AMONG THEM COULD BE OUR RELATIONSHIP WITH ETHIOPIA. ON THE ONE HAND THERE IS THE LONG-STANDING FRIENDLY ASSOCIATION BETWEEN US, WHICH HAS

INCLUDED SUBSTANTIAL AMERICAN ECONOMIC AND MILITARY ASSISTANCE TO ETHIOPIA OVER THE YEARS. ADDED TO THIS IS OUR WISH NOT TO SEE SOVIET-BACKED SOMALIA ATTACK OR SUBVERT THE ETHIOPIAN STATE. ON THE OTHER HAND, HOWEVER, ETHIOPIA'S DESIRE FOR CONTINUED US FRIENDSHIP APPEARS TO BE FOUNDED ALMOST SOLELY ON THE PROVISIONAL MILITARY GOVERNMENT'S PERCEPTION THAT IT STILL DEPENDS ON THE US FOR MILITARY AID. IDEOLOGICALLY, THOSE WHO

HAVE SUCCEEDED HAILE SELASSIE DIFFER DRAMATICALLY FROM
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THE UNITED STATES. THEY WOULD PREFER TO CUT TIES WITH US, ESTABLISH CLOSER RELATIONS WITH COMMUNIST COUNTRIES AND CONVINCE THE REST OF AFRICA THAT ETHIOPIA IS RESPECTABLY NONALIGNED. THE ERITREAN WAR, OTHER INSURRECTIONS INSIDE ETHIOPIA, THE EPMG'S WEAKNESS, AND THE UNPREDICTABILITY OF THE SITUATION IN THAT COUNTRY CREATE ADDITIONAL CONFUSION AS TO HOW THE STATE OF US-ETHIOPIAN RELATIONS IS GOING TO DEVELOP.

-- AUTHORITARIANISM AND POLITICAL INSTABILITY. WHILE SOUTHERN AFRICA AND THE HORN OF AFRICA ARE LIKELY TO PERSIST AS FOCAL POINTS OF INTERNATIONAL TENSION IN AFRICA, THE REST OF THE CONTINENT WILL CONTINUE TO HAVE ITS SHARE OF POLITICAL PROBLEMS. INTRACTABLE ECONOMIC PROBLEMS, TRIBALISM AND INTRA-GOVERNMENTAL STRUGGLES FOR POWER COULD IN SOME COUNTRIES PRODUCE NEW ATTEMPTS TO FORCIBLY CHANGE THE LOCUS OF POLITICAL CONTROL. EXCEPT FOR A TENDENCY TOWARD MORE RADICALISM, SUCH UPSETS OF EXISTING ORDER HAVE NO DRAMATIC EFFECT ON US INTERESTS. BUT RESULTANT AUTHORITARIAN--USUALLY MILITARY--REGIMES HAVE LITTLE IN COMMON WITH WESTERN INDUSTRIALIZED DEMOCRACIES AND MORE OFTEN THAN NOT END UP OPPOSING US POSITIONS ON INTERNATIONAL ISSUES. MOREOVER, POLITICAL/SOCIAL INSTABILITY IN CERTAIN AFRICAN COUNTRIES (NIGERIA IS THE MOST NOTABLE EXAMPLE) CAN DIRECTLY JEOPARDIZE RELATIVELY IMPORTANT AMERICAN INTERESTS, BOTH ECONOMIC AND POLITICAL.

33. IN ADDITION TO THE POSSIBLE EFFECTS OF THE INTERNAL POLITICAL PROBLEMS OF SOME AFRICAN COUNTRIES, THE US MIGHT HAVE TO CONTEND WITH CRISES--WHETHER REAL OR ONLY IMAGINED BY THE PARTIES INVOLVED--STEMMING FROM THE HOSTILITIES BETWEEN CERTAIN AFRICAN COUNTRIES AS WELL AS THOSE IN SOUTHERN AFRICA OR THE HORN; E.G., KENYA AND UGANDA, ZAIRE AND ANGOLA, ZAIRE AND THE CONGO REPUBLIC, GUINEA AND SENEGAL. THESE WOULD LEAD TO FURTHER REQUESTS FOR US MILITARY ASSISTANCE. THE GOVERNMENTS OF OTHER COUNTRIES, MORE CONCERNED ABOUT

MAINTAINING THEMSELVES IN POWER THAN WITH EXTERNAL
THREATS, COULD TURN TO THE US FOR SOME FORM OF MILITARY
AID, CONTINUING A RECENT TREND OF SUCH REQUESTS. A
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SIGNIFICANT DIFFICULTY IN THIS REGARD IS THAT THE
QUESTION OF US MILITARY ASSISTANCE TO DEVELOPING
COUNTRIES HAS BECOME INCREASINGLY CONTROVERSIAL IN
THE US AND IS COMING UNDER INTENSE CONGRESSIONAL SCRUTINY.

-- THE SOVIET FACTOR. THE SITUATIONS IN SOUTHERN
AFRICA AND THE HORN, AND THE POSSIBLE CONSEQUENCES OF
TENSION BETWEEN CERTAIN AFRICAN COUNTRIES SERVE AS
REMINDERS THAT WE CAN EXPECT THE SOVIET UNION TO CONTINUE
TO SEIZE OPPORTUNITIES OF THESE SORTS TO EXPAND ITS
INFLUENCE IN AFRICA. IN THIS THEY WILL BE MOTIVATED
BY THEIR DESIRE TO COUNTER OR REDUCE THE INFLUENCE OF
BOTH THE WEST AND THE PEOPLE'S REPUBLIC OF CHINA. IN
LOOKING AT AFRICA FOR THE FORESEEABLE FUTURE, CONSIDERA-
TION MUST BE GIVEN TO THE LIKELIHOOD THAT THE SOVIETS
WILL TRY TO DISRUPT THE ACHIEVEMENT OF US OBJECTIVES IN
THE CONTINENT. ALTHOUGH THEIR PAST RECORD OF INFLUENCING
OR DIRECTING EVENTS IN AFRICA TO THEIR ADVANTAGE HAS
BEEN SPOTTY, ANGOLA HAS SHOWN THAT THE SOVIETS APPARENTLY
ARE PREPARED TO GO QUITE FAR IN EXPANDING THEIR INVOLVE-
MENT IN CERTAIN AFRICAN SITUATIONS.

-- MORE POVERTY FOR THE POOR. DESPITE THE PROMINENCE
OF POLITICAL ISSUES, AFRICA'S GREATEST PROBLEM WILL
CONTINUE TO BE ONE OF LAGGING ECONOMIC DEVELOPMENT.
DROUGHTS, LOW AGRICULTURAL PRODUCTION, RAPID INCREASES
IN THE POPULATIONS OF SOME COUNTRIES, AND HIGH COSTS OF
FUEL, FERTILIZER AND OTHER DEVELOPMENTAL NECESSITIES
WILL CONTINUE TO PLAGUE THE CONTINENT.

34. IN MANY INSTANCES THE SIZE, SCOPE AND EFFECTIVENESS
OF US ECONOMIC AID PROGRAMS DIRECTLY BEAR ON THE HEALTH
OF OUR RELATIONS WITH INDIVIDUAL AFRICAN COUNTRIES.
IMAGINATIVE APPROACHES TO DEVELOPMENT, LIKE THE PLAN FOR
THE SAHEL, IF SUCCESSFUL, COULD IMPROVE OUR POSITION
WITH THE COUNTRIES INVOLVED. CONTINUATION OF OUR
EMPHASIS ON HELPING THE POOREST COUNTRIES COULD ALSO
BE USEFUL IN THIS REGARD. IT IS DOUBTFUL, IN VIEW OF
THE PREVAILING ATTITUDE IN THE US CONGRESS, WHICH
APPARENTLY IS AN ACCURATE REFLECTION OF AMERICAN PUBLIC
OPINION, THAT THERE WILL BE ANY INCREASE IN OUR ECONOMIC
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AID TO AFRICA SO SUBSTANTIALLY AS TO CHANGE DRAMATICALLY AFRICAN PERCEPTIONS OF US ASSISTANCE POLICY TOWARD THE CONTINENT--ALTHOUGH THE OVERALL LEVEL OF US AID TO AFRICA WILL RISE. NEVERTHELESS, WE WILL NOT BEGIN TO SATISFY AFRICANS' PERCEIVED DEVELOPMENTAL ASSISTANCE NEEDS.

35. RECAPITULATION. THE POLITICAL AND ECONOMIC PROBLEMS OF AFRICA ARE GOING TO LOOM LARGER IN THE CONSCIOUSNESS OF THIS AND THE NEXT ADMINISTRATION REGARDLESS OF THE OUTCOME OF THE NOVEMBER ELECTION.

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THE US HOPES TO CONTINUE THE CLOSER CONSULTATIVE RELATIONSHIPS WITH CERTAIN AFRICAN LEADERS WHICH HAVE BEEN A BY-PRODUCT OF THE NEW DIRECTION OF US POLICY TOWARD SOUTHERN AFRICA. OUR DEGREE OF INVOLVEMENT IN THE POLITICAL AND ECONOMIC PROBLEMS OF SOUTHERN AFRICA SHOULD CONTINUE TO BE HIGHER THAN IN THE PAST. POLITICAL INSTABILITY IN SOME AFRICAN COUNTRIES, DANGERS CREATED BY HOSTILITIES BETWEEN SOME STATES, AND THE READINESS OF THE SOVIETS TO EXPLOIT SITUATIONS FOR THEIR UNILATERAL ADVANTAGE WILL HAMPER THE ACHIEVEMENT OF OUR OBJECTIVES. TO A GREAT EXTENT, THE STRENGTH OF OUR RELATIONSHIPS WITH INDIVIDUAL AFRICAN COUNTRIES WILL DEPEND ON HOW WE RESPOND TO THEIR ECONOMIC DEVELOPMENTAL NEEDS.

AFRICA, THE MIDDLE EAST, AND THE NONALIGNED MOVEMENT
(UNDERLINE) ROMAN NUMERAL IV.

36. OF THE 85 POLITICAL ENTITIES CURRENTLY REPRESENTED IN THE NONALIGNED MOVEMENT (NAM), 57 ARE AFRICAN OR ARAB. THE QUID PRO QUO WHICH LINKS THEIR INTERESTS--ARAB SUPPORT FOR SOUTH AFRICAN CAUSES IN RETURN FOR AFRICAN BACKING OF ARAB MIDDLE EAST POLICIES--HAS PROVED A PERSISTENT ONE, AND THE AFRO-ARAB GROUP HAS PROVIDED THE CORE OF THE NONALIGNED MAJORITY AT THE UNITED NATIONS.

37. AFRO-ARAB COOPERATION, HOWEVER, HAS BECOME INCREAS-
INGLY FRAGILE. HAVING BROKEN TIES WITH ISRAEL AT
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OPEC'S REQUEST, MANY AFRICAN GOVERNMENTS ARE NOW DIS-
APPOINTED AT THE NIGGARDLY AID PROGRAMS OF THE OIL
PRODUCERS, THEIR HABIT OF CHANNELING ASSISTANCE MAINLY
TO MUSLIM COUNTRIES, THEIR CONSERVATIVE INVESTMENT
PRACTICES, AND THEIR RELUCTANCE TO PROVIDE OIL SUBSIDIES

OR DIFFERENTIAL PRICES TO LDCS. THE ATMOSPHERE,
IN SHORT, IS MARKED

EXTENSIVELY BY MUTUAL SUSPICIONS, AS EVIDENCED BY THE
IMPASSE AT THE AFRO-ARAB SUMMIT IN DAKAR LAST JUNE.
NONETHELESS, COOPERATION WILL CONTINUE WHEN BOTH ARABS
AND AFRICANS FIND IT EFFECTIVE TO COMBINE WITH EACH
OTHER TO BRING PRESSURE ON THE US AND OTHER DEVELOPED
COUNTRIES IN PURSUIT OF THE RESPECTIVE GROUP'S
PRIMARY OBJECTIVES.

38. SUCH DISPARATE INTERESTS ACCOMPANIED BY A PRAGMATIC
RECOGNITION OF THE NEED FOR SOLIDARITY ARE ALSO MARKED
FEATURES OF THE NONALIGNED MOVEMENT AS A WHOLE. RECENT

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TRENDS SUGGEST THAT NAM UNITY IS BECOMING FRAYED AND
THAT ITS FUTURE INTERNATIONAL ROLE WILL REMAIN AMBIGUOUS.

39. KEY TENDENCIES EVIDENT IN RECENT GATHERINGS OF THE
NONALIGNED INCLUDE THE FOLLOWING:

-- DESPITE EFFORTS TO EMPHASIZE ECONOMIC ISSUES,
THE NAM REMAINS LARGELY PREOCCUPIED WITH POLITICAL
CAUSES; ON ECONOMIC QUESTIONS IT GIVES FULL SUPPORT TO
THE G-77 WHILE TRYING TO ACHIEVE, AS AT THE CURRENT
MEXICO MEETINGS, G-77 ACCEPTANCE OF CERTAIN NAM ECONOMIC
PROPOSALS.

-- THE MEMBERSHIP OF THE NAM CONTINUES TO GROW.
SEVERAL OF THE NEW MEMBERS--E.G., VIETNAM, ANGOLA,
NOZAMBIQUE--LEND ADDITIONAL STRENGTH TO THE "SOCIALIST"
CONTINGENT. PARTICIPATION IN THE NAM SUMMIT BY ROMANIA,
PORTUGAL AND THE PHILIPPINES--ALBEIT AS "INVITED
GUESTS"--ADDS TO THE NAM'S ECUMENICAL CHARACTER, FURTHER
CLOUDS THE CONCEPT OF NONALIGNMENTS, AND PROMISES TO
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COMPLICATE STILL FURTHER THE TASK OF FORGING CONSENSUS
POSITIONS ON SPECIFIC ISSUES AMONG MEMBERS WHOSE
INTERESTS ARE BECOMING INCREASINGLY DIFFERENTIATED.

-- THERE REMAINS A SUBSTANTIAL UNITY OF OUTLOOK
AMONG NAM MEMBERS ON GENERAL HORTATORY AND POLICY
PROPOSITIONS SUCH AS OPPOSITION TO COLONIALISM, RACISM,
AND SUPERPOWER "HEGEMONY"; OR ON DEMANDS FOR MORE
EQUITABLE INTERNATIONAL ECONOMIC ARRANGEMENTS. THIS
UNITY OF PURPOSE, HOWEVER, IS PROVING MORE DIFFICULT
TO SUSTAIN ON PRACTICAL QUESTIONS. THIS WAS APPARENT
AT COLOMBO IN THE ACRIMONIOUS DEBATES ON REGIONAL

POLITICAL ISSUES (TIMOR, WESTERN SAHARA, KOREA, SOUTHEAST ASIA ZONE OF PEACE, FREEDOM AND NEUTRALITY). IT IS ALSO EVIDENT IN THE DIFFICULTIES THE NAM HAS ENCOUNTERED IN OBTAINING CONTRIBUTIONS FOR THE NONALIGNED SOLIDARITY FUND. IT IS MANIFEST IN THE POSITIONING AT OPPOSITE ENDS OF A SPECTRUM OF NAM ATTITUDES AND POSITIONS, OF THE NAM "RADICALS" (E.G., CUBA, NORTH KOREA, ANGOLA, IRAQ, ETC.), AND THE "MODERATES" (SINGAPORE, ZAIRE, PERU, ETC.). THE FORMER ARE EAGER TO TRANSFORM THE MOVEMENT INTO AN "ANTI-IMPERIALIST" (READ ANTI-US) FORUM; THE LATTER ARE MORE INCLINED TO EVENHANDEDNESS IN DEALING WITH THE SUPERPOWERS. BEYOND THIS DIVISION, OTHER SOURCES OF FRICTION ARE EVIDENT--BETWEEN OPEC AND THE OIL-LESS LDCS, BETWEEN THE "MIDDLE CLASS ACHIEVERS" AND THE LEAST DEVELOPED COUNTRIES, AND BETWEEN VARIOUS ASPIRANTS FOR REGIONAL ASCENDANCY.

-- THE LEADERSHIP OF THE NONALIGNED IS BECOMING MORE DIFFUSE. ALGERIA IS PLAYING A MORE SUBDUED ROLE. EGYPTIAN INFLUENCE ALSO SUFFERED AN ECLIPSE AT COLOMBO, WHERE A WELL COORDINATED TRIUMVIRATE COMPOSED OF YUGOSLAVIA, SRI LANKA, AND INDIA EMERGED. BY NONALIGNED STANDARDS THEY PROVIDED A RELATIVELY MODERATE LEAD, BUT THEIR HOLD ON THE REINS IS SCARCELY SECURE. THE RADICALS CONTINUE TO PLAY A STRONG ROLE; THE WEIGHT OF THEIR INFLUENCE IN THE NONALIGNED COORDINATING COMMITTEE (RECENTLY EXPANDED FROM 17 TO 25 MEMBERS) HAS INCREASED; THE FACT THAT CUBA WILL HOST THE NEXT SUMMIT MEETING IN 1979 WILL ASSURE THEM INCREASED LEVERAGE OVER THE

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PROCEDURES OF NAM CONSENSUS BUILDING AT THAT MEETING.

-- TO SOME DEGREE THE NAM IS NOW EXHIBITING A LESS STRIDENT ANTI-AMERICAN TONE. TO BE SURE THE TERMS OF MANY RESOLUTIONS--E.G. KOREA, PUERTO RICO, ZIONISM/RACISM, ETC.--ARE UNPALATABLE; IN SOME CASES THE LANGUAGE IS WORSE THAN LAST YEAR. AT THE SAME TIME THE MOST OBJECTIONABLE RESOLUTIONS DO NOT ENJOY UNIFIED SUPPORT; THE MODERATES ARE INCREASINGLY WILLING TO SPEAK UP ON CONTROVERSIAL ITEMS AND TO EXPRESS RESERVATIONS ABOUT SO-CALLED "CONSENSUS" POSITIONS. THE ABSENCE AT BOTH PUERTO RICO AND KOREA FROM THIS YEAR'S GENERAL ASSEMBLY AGENDA IS IN CONSIDERABLE PART THE RESULT OF THE VEHEMENT CONTROVERSY AND THE NUMEROUS RESERVATIONS CREATED BY THESE BLOCS AT COLOMBO.

40. THE UNITED STATES, OF COURSE, IS STILL UNDER ATTACK. REGARDED BY MANY LDCS AS THE MAIN ALLY OF ISRAEL, AS A DEFENDER OF WHITE GOVERNMENTS IN SOUTHERN AFRICA, AND AS

THE SUPERPOWER WITH FOREIGN BASES, THE UNITED STATES INEVITABLY APPEARS A NATURAL TARGET OF NAM CAMPAIGNS AGAINST COLONIALISM, "MILITARISM" AND ISRAEL. IT IS DIFFICULT IN TERMS OF GROUP DYNAMICS FOR ANY NAM PARTICIPANT TO ESPOUSE OPEN AND EXPLICITLY PRO-US POSITIONS. ACCORDINGLY, WE ARE ENCOURAGED BY THE NUMBERS OF COUNTRIES EXPRESSING RESERVATIONS ON ISSUES OF CONSEQUENCE TO US, ALSO BY THE MORE EQUITABLE DISTRIBUTION OF NONALIGNED CRITICISM. FOR EXAMPLE, THE SOVIETS HAVE FOUND THEIR RECORD IN THE FIELD OF AID AND TRADE AN OBJECT OF GROWING CRITICISM IN G-77 AND NAM STATEMENTS. AND SOME RADICALS (E.G., CUBA) HAVE FOUND THAT THEY INCREASINGLY ARE VIEWED WITH SUSPICION AS STALKING HORSES FOR THE SOVIET UNION WITHIN THE NAM. FOR THE FUTURE, IF THE US CAN ACHIEVE SOME SUCCESS IN ITS MEDIATING EFFORTS IN THE MIDDLE EAST AND SOUTHERN AFRICA, WHILE SUCCESSFULLY CONCLUDING NEGOTIATION OF A

NEW PANAMA CANAL TREATY, THERE IS NO SELF-EVIDENT REASON WHY WASHINGTON SHOULD REMAIN THE WHIPPING BOY OF THE NAM ON POLITICAL ISSUES.

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41. INDEED, IF THESE SUCCESSES OCCUR, THE NAM DIFFICULTIES IN DEFINING ITS IDENTITY AND ROLE WILL BE COMPOUNDED. THESE DIFFICULTIES ARE ALREADY EXTENSIVE. ANTI-COLONIAL SHIBBOLETHS OFFER MEAGER INCENTIVES FOR COMMON ACTION AS WESTERN COLONIALISM RUNS ITS COURSE. ANTIPATHY TOWARD THE GREAT POWERS IS LESS SALIENT IN AN ERA OF DETENTE. CALLS TO END THE ARMS RACE RING HOLLOW WHEN SOME NAM MEMBERS ARE AMONG THE PRINCIPAL BUYERS OF SOPHISTICATED MILITARY ARMAMENTS. LDC POLITICAL POSTURING MAY BECOME MORE COSTLY IN AN ERA OF SERIOUS NORTH-SOUTH ECONOMIC NEGOTIATIONS. CERTAINLY MANY NAM MEMBERS ARE FULLY AWARE THAT COOPERATION AMONG THE LDCS, HOWEVER DESIRABLE, CANNOT BY ITSELF ASSURE THOSE INPUTS OF CAPITAL, TECHNOLOGY AND EXPERTISE THAT THEIR DEVELOPMENT ASPIRATIONS REQUIRE. INTERNATIONAL COOPERATION IS ESSENTIAL TO THEM, AND ONLY THE WEST CAN PROVIDE IT.

42. WHAT ARE THE IMPLICATIONS OF THESE TRENDS? SOME OF THESE TRENDS ARE ENCOURAGING, AND THEY REFLECT TO SOME DEGREE OUR EFFORTS TO DEFUSE THE MIDDLE EAST AND SOUTHERN AFRICA PROBLEM. CLEARLY WE MUST PERSIST IN THESE EFFORTS. BEYOND THIS, OUR LOBBYING EFFORTS WITH THE NAM HAVE INDICATED THE UTILITY OF CONVEYING OUR POSITIONS ON THE ISSUES OF CONSEQUENCE TO ITS MEMBERS IN A TIMELY WAY. A QUESTION REMAINS, HOWEVER, AS TO

HOW MUCH EFFORT WE SHOULD DEVOTE TO SUCH LOBBYING IN THE FUTURE. SHOULD WE, FOR EXAMPLE, ATTEMPT ACTIVELY TO TURN THE NAM TOWARD GREATER MODERATION AT THE RISK OF SEEING IT BECOME A MORE SERIOUS AND WIDELY ACCEPTED MOVEMENT? OR SHOULD WE REMAIN RELATIVELY DIFFIDENT SPECTATORS, ASSUMING THAT IF IT ADOPTS MORE RADICAL POSITIONS, THESE WILL DISCREDIT THE MOVEMENT AND PROMPT ITS FUTURE FRAGMENTATION? ARE THERE STEPS THE US AND JAPAN MIGHT CONSIDER TO ENCOURAGE THE EVIDENT DISILLUSIONMENT OF SOME SOUTHEAST ASIAN COUNTRIES WITH THE NAM, AND TO ASSURE THAT THE IMPORTANT LATIN AMERICAN STATES REMAIN ALOOF FROM THIS MOVEMENT? HOW DOES THE JAPANESE GOVERNMENT PLAN TO UTILIZE ITS INFLUENCE WITH NAM MEMBERS TO MODERATE THEIR POSITIONS ON ISSUES OF INTEREST TO IT? KISSINGER
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